

Senate File 106 - Introduced

SENATE FILE 106

BY BACON, BOETTGER, JOHNSON,
HAMERLINCK, ZAUN, CHELGREN,
ERNST, GREINER, BERTRAND,
SORENSEN, WARD, BARTZ, and
FEENSTRA

A BILL FOR

1 An Act providing an exemption from the computation of the
2 individual state income tax of all pay received for
3 active duty military service and including retroactive
4 applicability provisions.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 422.7, Code 2011, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 42A. Subtract, to the extent included,
4 all pay received by the taxpayer from the federal government
5 for military service performed while on active duty status in
6 the armed forces, the armed forces military reserve, or the
7 national guard.

8 Sec. 2. RETROACTIVE APPLICABILITY. This Act applies
9 retroactively to January 1, 2011, for tax years beginning on
10 or after that date.

11 EXPLANATION

12 This bill exempts from the individual income tax all pay
13 received by a taxpayer from the federal government for military
14 service performed while on active duty status in the armed
15 forces, the armed forces military reserve, or the national
16 guard.

17 The bill applies retroactively to January 1, 2011, for tax
18 years beginning on or after that date.